

U.S. institutional investors sign pact urging Congress to enact 'green' legislation

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WASHINGTON: Dozens of institutional investors managing a combined \$4 trillion in assets — led by a Boston investment firm that specializes in environmental issues — have signed a statement urging Congress to pass strict laws to curb greenhouse gas emissions.

The agreement, signed Monday by 65 investor groups and financial companies, calls for federal legislation that would reduce heat-trapping emissions of carbon dioxide by 60 to 90 percent by 2050, compared with 1990 levels.

The pact grew out of talks initiated more than six months ago by Ceres, a coalition of investors and environmental groups that has done extensive work on global warming issues.

"What businesses need to move forward is a mandatory policy that finally will address the global financial risk of climate change," Mindy Lubber, the president of Ceres, said in an interview. "It's very hard for businesses to act without certainty."

To fully develop the alternative energy industry and spur investment in technologies that reduce pollution from fossil fuels, Lubber said, Congress needs to mandate limits on carbon dioxide emissions and establish penalties for any company that exceeds those limits. "That's when the new innovators and the new technologies are going to come out," she said.

Ceres is a nonprofit network of investors, environmental organizations and other public-interest groups working with companies and investors on issues such as climate change.

The Bush administration, which has acknowledged that human activity contributes to global warming, has fought setting emission caps, saying they would hamper businesses and drag down the economy. It favors a voluntary system of reducing emissions, but as many as a dozen bills now before Congress call for some type of carbon dioxide limits. Congressional leaders say they hope to have a bill later this year.

In January, several large corporations — including DuPont, Alcoa and General Electric — said they favored strict limits on emissions.

In a news conference Monday, the list of those joining that call included Merrill Lynch, Calvert, Allianz, BP America and the California Public Employees' Retirement System. Others included the state treasurers of Vermont, Connecticut and Maine; the utilities National Grid and Green Mountain Power; the investors Boston Common Asset Management, Walden Asset Management and Trillium Asset Management; and Green Mountain Coffee.

Joachim Faber, a member of Allianz's governing board, said his company believed "it is essential to put a price tag on carbon, thereby enabling market mechanisms to drive emissions reductions and climate protection."

The Vermont treasurer, Jeb Spaulding, said he signed onto the initiative to "look out for the financial interests and future" of his state. "The issue of climate change has a substantial impact on the future economy of Vermont," he said, "whether it be in the recreational or agricultural industries. If you look into the future, global warming poses a substantial risk."

A Democratic congressman, Representative Edward Markey of Massachusetts, who is chairman of the House Select Committee on Energy Independence and Global Warming, said in a statement that the Ceres announcement was a "major welcome development."